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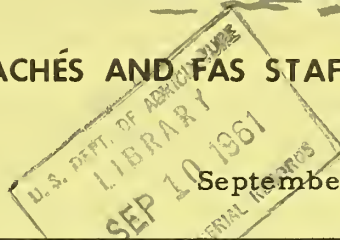
# Spotlight ON FOREIGN MARKETING



A280,39 TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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VOL. V, No. 6



September 1, 1961

SECRETARY FREEMAN'S INTEREST IN FOREIGN AGRICULTURAL TRADE has taken him to London and Brussels in his first overseas travel since taking office. Ray Ioanes of FAS is accompanying him.

In London, on September 5 the Secretary officially opened the agricultural exhibit at the new U. S. Trade Center, as well as meeting with British Government and trade leaders.

In Brussels, on September 6 and 7 the Secretary is conferring with Commissioners of the European Economic Community, as well as meeting with Belgian Government and trade leaders. The meetings with the Common Market Commissioners are a continuation of talks held with them in Washington in May and June. The Secretary's objective is to try to make sure that the six Common Market countries, under their new agricultural policies, give access to U. S. farm products to this large and highly important area which last year bought \$1.1 billion worth of U. S. farm products.

The London exhibit of American foods runs from September 5 to 23 and is the first showing of U. S. foods in the new U. S. Trade Center. Over 100 U. S. food firms are showing their products, many with representatives present. The exhibit is aimed primarily at trade and industry groups (importers, wholesalers, hotel managers, caterers, restaurateurs, and consumers organizations). In addition to product displays, the exhibit area will feature demonstration kitchen facilities and reception and conference areas. The program of promotional events will include receptions, luncheons, food demonstrations, and movies. Agricultural exhibits will be interspersed with industrial exhibits in this permanent Trade Center. Next agricultural exhibit is scheduled for March 15-April 15, 1962.

INDIA WHEAT UTILIZATION PROJECT. Western Wheat Associates report that their nutrition education program in India is making good progress. Third party agreements have been signed with seven different organizations for conducting demonstrations of wheat food preparation with the use of small mobile units. Four of these units are in operation.

A mobile bakery has also been put into operation. This will demonstrate use of commercial yeast produced by a new domestic plant. Until recently yeast was made by individual bakeries, and as a result the quality of the bread varied widely.

(More)

The lack of adequate grain storage continues to be a basic problem in India. The report indicates that India plans to build an additional two million tons of flat storage but has given no indication of a time schedule.

PACIFIC INTERNATIONAL TRADE FAIR. The Department of Agriculture is participating jointly with the Department of Commerce in presenting a U. S. exhibit at the Second Pacific International Trade Fair in Lima, Peru, October 12-29, 1961.

Agriculture's exhibit will completely occupy a geodesic dome of approximately 10,000 square ft. Three commodities will be presented: wheat, soybeans, and edible tallow. Cooperating in this endeavor are the Great Plains Wheat Association, Soybean Council of America, and the National Renderer's Association. Both Great Plains Wheat and the Soybean Council have offices in Lima.

The wheat exhibit will consist of a mobile nutrition trailer, a modern school lunch building serving meals to invited school groups, and a donut and pancake shop. The soybean exhibit will consist of a demonstration kitchen and several displays showing the human nutritional value of soybean products. The tallow display will revolve about the use of inedible tallow in the manufacture of soap and the importance of soap in everyday living.

Limited samples of all 3 commodities will be distributed.

SMALL TRADE FAIR. A new undertaking initiated by the Trade Fair Division, FAS, entitled the "Small Trade Fair Program" will make its debut with the opening of the St. Eriks International Fair, August 30-September 10, in Stockholm, Sweden. This exhibit will be the first in a series of 5 such shows, in as many countries. The schedule for the remaining shows is:

|                     |                 |
|---------------------|-----------------|
| Manchester, England | Sept. 12-23     |
| Copenhagen, Denmark | Oct. 13-22      |
| Stuttgart, Germany  | Oct. 27-Nov. 5  |
| Accra, Ghana        | Nov. 24-Dec. 24 |

At Stockholm the exhibit will occupy 800 square feet and has been designed to accomodate work areas for 3 commodities with ample display area, plus a small reception and office area where qualified U. S. representatives will provide interested customers with detailed information.

The exhibit's theme will be "Buy American Foods." Featured at Stockholm will be citrus juices, canned poultry, and rice.

Complementing the activity at the fair site will be several promotional luncheons or dinners sponsored by the Agricultural Attache, at which the menu will be built around the food products featured at the fair.

CLOSE-OUT REPORTS. Agricultural Attaches and Cooperators are to be congratulated for the recent improvement in the reporting of closed-out projects. This is a big help to us in maintaining the records in the Washington office. It will also assist us in bringing such activities up-to-date. Keep up the good work!



COOPERATORS REGIONAL MEETING. Art Minor and Val Hougen met with representatives of the Soybean Council of America in Rome August 16. The purpose of the meeting was to review program recommendations for the supervisory office of the Council in the market development program. A thorough review was made of the Council activities in foreign countries. This was the first time in which detail study was made of this administrative problem and it is believe that the meeting was profitable for all concerned.

FUNDS FOR MARKET DEVELOPMENT. A P.L. 480 amendment provides as follows: "Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this subsection in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this subsection and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this subsection. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this subsection in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into agreements with such countries for the sale of surplus agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this subsection."

A new compilation of the P.L. 480 as amended is being prepared and will be sent to you as soon as possible.

FUNDS REGAINED. Public Law 87-128 contains the following amendments applicable to P.L. 480: "Sec. 203. In the conduct of foreign market development programs, the Secretary of Agriculture is authorized to credit contributions from individuals, firms, associations, agencies, and other groups, and the proceeds received from space rentals, and sales of products and materials at exhibitions, to the appropriations charged with the cost of acquiring such space, products, and materials."

SPECIAL FOREIGN CURRENCY PROGRAM. Attached as a supplement is an excerpt from the Senate Committee on Appropriations Report No. 394. You will note the Committee's recommendations as to the term for contracts for market development.

The funds appropriated for fiscal 1962 are predicted on contracts running not more than three years.

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WHEAT PRICES - 1961. There has been sent to the Attaches under separate cover a memorandum from the Director of Grain and Feed Division on the subject "Supply, price and quality of wheat." This information will help to analyze the difference between the 1961 and 1960 prices of this commodity as shown on the weekly "Guide to U. S. Commercial Sales."

REVISION OF TITLE 11, SECTION 104(a) MARKET DEVELOPMENT PROJECTS. Revisions of 11 FASR are currently under way as a result of earlier Task Force recommendations and other program changes. Such revisions are expected to be completed and distributed around the end of September.

HOUSE APPROPRIATIONS SUB-COMMITTEE REPORTS STUDY OF MARKET DEVELOPMENT. In the published report of FAS' hearing before the agricultural sub-committee of the House Appropriations Committee is inserted a report (pp 134-161) of a study of market development made in France, Austria, Italy, Greece, Egypt, Jerusalem, Lebanon, India, Thailand, Hong Kong, and Japan. It was made last fall by Representatives H. Carl Anderson, Walt Horan, and Robert H. Michel of the sub-committee, Rep. Silvio O. Conte of the Foreign Operations sub-committee and staff member Ross Pope. The report is primarily factual and is generally favorable.

U. S. HOLSTEIN BULLS RAISED CHILEAN FARMERS INCOME by \$300,000 during 1960. Milk-record tests show that the offspring of 40,000 cows, which were bred by artificial insemination to 10 U. S. bulls since 1958, have out-produced their dams by 1,162 pounds each year.

At least 6,200 heifers sired by these bulls are now in production. The combined additional production of the daughters of the bulls equals 7,200,000 pounds of milk--a pint for every person in Chile. On the basis of 10 cents per liter, this meant an extra \$300,000 to Chilean dairy farmers in 1960.

COMMENT FROM CLIFF HOPE. Clifford R. Hope, President of Great Plains Wheat, Inc., writing in The Great Plainsman, states: Our field is strictly market development. In so doing, we are exercising the right--or even the responsibility--of producers to take an interest in the utilization of their products both at home and abroad.

Much of our effort has been directed to the export market. As producers, we were anxious to generate increased attention to foreign customers and consumers; to make our wheat industry, as well as U.S. agriculture, more export-minded; to call attention to the opportunities in the export market.

Because of the vast increase in the productive capacity, the domestic market was no longer able to absorb all of the wheat produced in the United States.

That was why we were convinced of the need to make an aggressive drive into foreign markets. We went to work to set up foreign-based market research and promotion centers and to exchange trade teams.

It is interesting to note that about 665 million bushels went overseas during the past fiscal year. This is 49 percent of the total U.S. wheat crop of 1,363 million bushels in 1960.



SPECIAL FOREIGN CURRENCY PROGRAM FOR FISCAL 1962

Excerpt from Senate Report No. 394

"The committee has recommended an appropriation of \$3,444,000, the amount in the House bill and the 1962 estimate which is \$21,200 under fiscal 1961. The committee has inserted in the bill a language proviso restoring the language carried last year on priority and use of foreign currency. Further, it directs that the full currency convertibility provisions in program agreements under Public Law 480 be exercised to provide maximum availability of such funds.

"The committee believes that the only practical benefit to American agriculture from the Public Law 480 program is through the market development program. Other agencies of Government have repeatedly been given preference in the use of foreign currencies in spite of provisions carried in Public Law 480 authorizations setting aside specified foreign currencies for market development and research programs. The committee directs that corrective action be taken by the Administration to preclude future recurrence of misallocation of these funds.

"The committee recommends that the Standing Committee on Agriculture and Forestry examine this matter carefully and write into the proposed extension of authorization of Public Law 480 adequate legal safeguards.

"The cooperative industry-Government market development program has resulted in successful promotion of increased exports of various U.S. agricultural products. However, there is much that remains to be done. The program should be substantially expanded in size and broadened in scope. One factor which appears to have hindered activities is that agreements under which farm and trade groups promote sales are limited to 3 years' duration. This period should be extended at least 5 years as an incentive for such groups to increase the resources, both in funds and capable personnel, which they are putting into the program.

"In the past, primary consideration seems to have been given to basic commodities. Increased emphasis needs to be given to the export promotion of nonbasic commodities such as poultry, tallow, fruits, and vegetables, which are fully competitive in the world market and which are heavily dependent on exports because they are not under price supports. We urge the Secretary to press this matter vigorously and report to the committee any situations where other Government agencies dealing in this area have not fully cooperated in developing export potentials for agricultural commodities.

"Further, the committee believes that in the next year renewed efforts should be directed toward the introduction of poultry, tallow, fruits, vegetables, and other non-price-support commodities, on an experimental basis into countries where there is an apparent demand for these products if the consumers in those countries were given an opportunity to purchase such products."

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## SPOTLIGHT Supplement No. 25

### MODERN PROCESSING FACILITIES -- A NEW FEATURE

A descriptive and illustrated booklet entitled "A Modern Macaroni Processing Plant" has been prepared and is now ready for distribution by the Millers' National Federation. Copies of the six-page booklet have been sent to the attaches.

This booklet is the first of a series of three on Wheat Food Industries that are being prepared by the Federation. Others in process of preparation relate to Bakeries and Cracker-Cookie Plants.

The booklets are all designed to help meet the growing need for information about modern wheat food industry plants in overseas markets. The "promotion of the construction and use of facilities (e.g. bakeries, cracker and pasta plants, etc.) designed to increase the utilization of wheat products" is one of the several specialized types of activities now being carried on by the Federation in its foreign market development program in cooperation with the Foreign Agricultural Service. The increasing number of inquiries for information about equipment for these types of wheat food facilities all reflect the need for material aid assistance in this field.

The development of the plant layout design and the pictures of various types of equipment is the first time such an approach has been made in regard to the promotion of new facilities of this type, especially of this size.

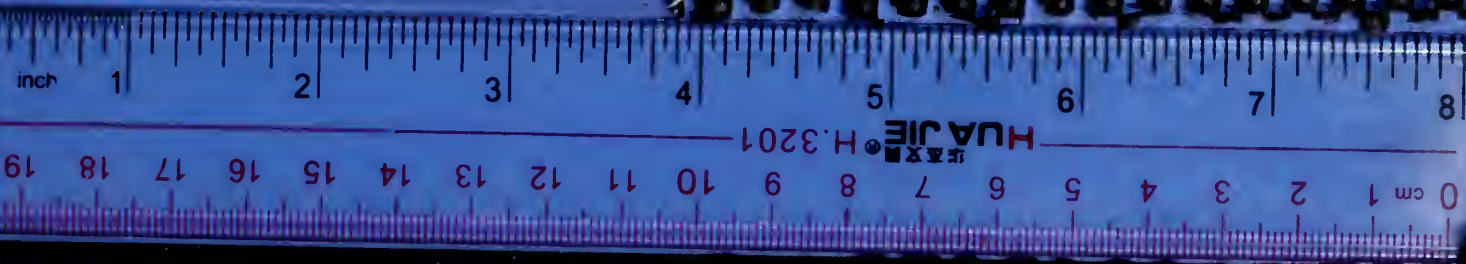
Most manufacturers have specialized in certain types of equipment but do not make a complete line for the establishment of an industry of the size that appears most practical or needed in foreign markets, particularly the underdeveloped areas. The macaroni plant booklet, as well as the others to follow, all feature equipment available separately or as part of a complete new industry.

If additional copies of the macaroni booklet are desired or if further information is needed, please contact FAS/Washington or the Millers' National Federation.

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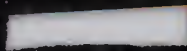
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